

H. A. Simpson



ANNUAL REPORT

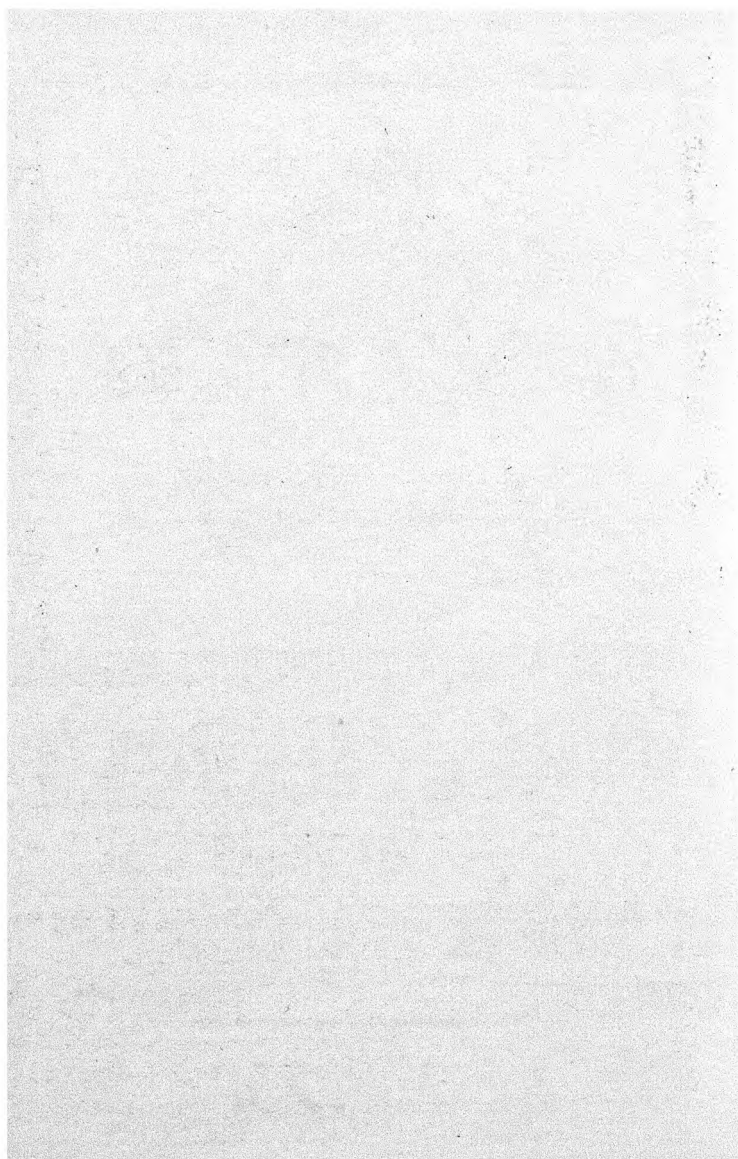
1917

THE GRAIN GROWERS' GRAIN CO. LIMITED

WINNIPEG

MANITOBA

Now Amalgamated with The Alberta Farmers Co-Operative
Elevator Company, to form United Grain Growers Limited



The Grain Growers' Grain
Company Limited
Winnipeg

Annual Report

For the Twelve Months
ending the Thirty-first of
August, Nineteen
Seventeen

NOTE:—

*On August 31st, 1917, The Grain Growers'
Grain Co., and The Alberta Farmers' Co-
operative Elevator Co., amalgamated their
interests to form United Grain
Growers Limited*

Shareholders should keep intact the Annual Reports
They will thus have a continuous record
of the Company's history

Comparative Statement

Opened Business		Sept. 1, '06	June 30, '07	June 30, '08	June 30, '09	June 30, '10	June 30, '11
Shares Allotted		1,000	1,853	2,932	7,538	14,131	21,602
Capital Subscribed		\$25,000	\$46,325	\$73,300	\$188,950	\$353,275	\$615,050
Capital Paid-up		\$ 5,000	\$11,795	\$20,385	\$20,708	\$292,957	\$492,062
Grain Receipts (Bus.)			2,340,000	4,990,541	7,613,146	16,332,645	18,845,305
Profits			\$790	\$30,190	\$52,902	\$95,663	\$69,575 46

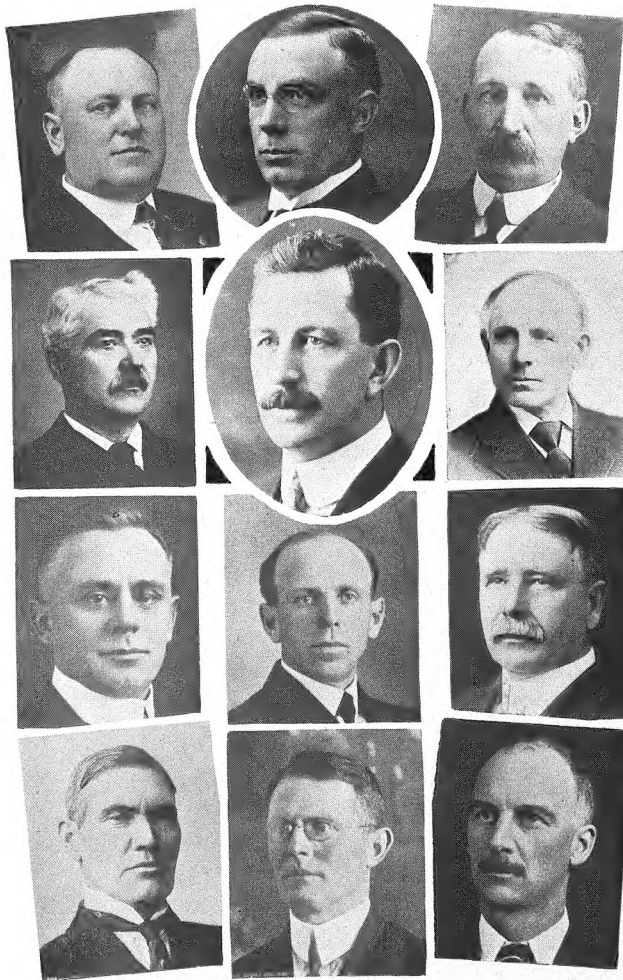
June 30, '12 *Aug 31, '13		Aug 31, '14	Aug 31, '15	Aug 31, '16	Aug 31, '17
Shares Allotted	27,321	32,500	42,477	47,976	57,605
Capital Subscribed	\$983,000	\$809,950	\$1,061,925	\$1,199,400	\$1,440,160
Capital Paid-up	\$586,472	\$645,361 80	\$771,400 35	\$867,422	\$1,073,179 95
Grain Receipts (Bus.)	27,775,000	29,975,000	29,930,225	18,821,402	48,375,420
Profits	\$121,614	\$164,332 57	\$151,080 92	\$226,963 08	\$572,804 33

TOTAL FARMERS' GRAIN HANDLED SINCE SEPT. 1, 1906 - - - - - **232,740,876 BUSHELS**

*14 months in this year.

BOARD OF DIRECTORS—1917-18

United Grain Growers Limited



H. C. Wingate
John Kennedy
R. A. Parker
J. J. McLellan

C. Rice-Jones
Hon. T. A. Crerar
John Morrison
P. C. Austin

J. F. Reid
R. McKenzie
C. F. Brown
F. J. Collyer

The Grain Growers' Grain Co. Ltd.

CAPITAL AUTHORIZED	\$2,000,000.00
CAPITAL SUBSCRIBED	\$1,705,750.00
CAPITAL PAID UP, AUG. 31, 1917 ...	\$1,357,382.46
RESERVE FUND, AUG. 31, 1917	\$ 601,662.79
AT CREDIT PROFIT AND LOSS ACCT. \$	516,688.72
See Pages 30-31 for Statement of United Grain Growers Ltd.	

Board of Directors

United Grain Growers Limited

1917-1918

T. A. CRERAR	RUSSELL, MAN.
C. RICE-JONES	VETERAN, ALTA.
JOHN KENNEDY	DEEPDALE, MAN.
R. A. PARKER	WINNIFRED, ALTA.
R. MCKENZIE	WINNIPEG, MAN.
C. F. BROWN	CALGARY, ALTA.
JOHN MORRISON	YELLOW GRASS, SASK.
F. J. COLLYER	WELWYN, SASK.
JOHN F. REID	ORCADIA, SASK.
J. J. McLELLAN	PURPLE SPRINGS, ALTA.
P. C. AUSTIN	RANFURLY, ALTA.
H. C. WINGATE	CAYLEY, ALTA.

To our Shareholders

December 31, 1917

Gentlemen:—

This is the Eleventh Annual Report of The Grain Growers' Grain Company, covering the business for the year ending August 31st, 1917. It is the last one that will appear under the name of The Grain Growers' Grain Company Limited. Following the amalgamation of that Company with The Alberta Farmers' Co-operative Elevator Company Limited, subsequent reports will go out under the new name, United Grain Growers Limited. On the following pages you will find the President's report, the financial statements of The Grain Growers' Grain Company Limited, The Alberta Farmers' Co-operative Elevator Company Limited, and United Grain Growers Limited, the Auditors' Report and comments of the Shareholders' Auditor on The Grain Growers' Grain Company statement. We hope every shareholder will read it carefully as the Company's success depends largely on the intelligent interest taken by the shareholders.

Again we recommend you to preserve this report along with others that have gone out so that you will have a complete record of the Company's progress.

Yours truly,

Board of Directors,
United Grain Growers Limited



Eleventh Annual Report

President Crerar's Report

Winnipeg, Man., Dec. 22nd, 1917

TO THOSE WHO WERE SHAREHOLDERS IN
THE GRAIN GROWERS' GRAIN COMPANY

In sending out this, the Eleventh Annual Report of the Company, a word of explanation is necessary at the commencement.

The shareholders of the old Grain Growers' Grain Company Limited have not had their annual meeting this year for the consideration of the reports as in other years. A year ago you were called together in annual meeting on the 29th and 30th of November. At that time, after notice had been given in the call for the meeting, a proposal for amalgamating The Grain Growers' Grain Company and The Alberta Farmers' Co-operative Elevator Company was fully placed before you and thoroughly discussed by the shareholders present, who then gave the necessary authority to the Directors to apply at the next session of Parliament for the changes necessary in the Company's charter to give effect to the amalgamation. These do not need to be referred to here as they were fully explained in the last annual report. The amendments to the charter were secured in due course and on August 15th last the shareholders of the Company were called together in special meeting to formally ratify the agreement with the Alberta Company and also to discuss certain by-laws that were necessary in connection with the reorganization that was being made.

This was done. The Board of Directors was increased to twelve, according to the understanding contemplated when the amalgamation was first discussed and all other things done that were necessary to give effect to it.

The most important change made as far as the Company's business was concerned was the change whereby the annual meetings ceased to be composed of individual shareholders. The system in effect in The Alberta Farmers' Co-operative Elevator Company, and also in The Saskatchewan Co-operative Elevator Company, whereby the shareholders are organized into local groups and these local groups elect their delegates to the annual meeting, was made effective as far as the business of The Grain Growers' Grain Company was concerned, at this meeting. After these changes were given effect to, it was of course impossible to hold a legally constituted meeting until the local groups had been formed and they had appointed their delegates as set out in the by-laws. A copy of the by-laws passed at the meeting in August is enclosed herewith, as well as a copy of the Company's charter. A study of these by-laws will show you the form of government that the United Company now works under. At this meeting of the shareholders it was felt that it would be impossible to have the locals organized before at least next March, and this would be the earliest date, therefore, at which a meeting of the shareholders could be regularly called. After discussion of this point the shareholders present passed the following resolution: "That the next shareholders meeting be held in November, 1918." It was felt that if a report was sent out to the shareholders, of the business of the year closing 31st August last, this might be sufficient to meet the needs of the case and thus avoid the expense of having a meeting called in the middle of the season.

I will therefore, in this brief report, touch on the important features of the Company's business for the past year ending 31st August last; give a word of explanation in regard to Balance Sheet and Profit and Loss figures; refer to the Balance Sheet of United

Grain Growers Limited, which is the combined Balance Sheets of the two Companies forming the amalgamation, and comment briefly on some of the possibilities lying before the new Company.

Country Elevators

For the year ending August 31st, 1916, our country elevators in Manitoba handled over 16,000,000 bushels of grain. For the year ending August 31st, 1917, we handled only 7,200,000. This is accounted for by the very much smaller crop in Manitoba for the year under consideration, as against the previous one. We have not been able to make a corresponding decrease in the total expenses of the department for the year, due to the fact that wages, gasoline and other equipment necessary to operation have all advanced very considerably in cost. The result is shown in the profits for the year in this department. A year ago they stood at a little over \$161,000. For the year that we are now dealing with, the final profit is a little over \$65,000.

In addition to the elevators leased from the Manitoba Government, the Company had at the 31st of August last, either completed or under construction, sixty elevators of its own; twenty-nine of these in Manitoba and thirty-one in Saskatchewan. We owned in Manitoba and Saskatchewan fifty-five coal sheds and seventy-eight flour warehouses, the greater number of which have been built during the past year.

Grain Growers' B.C. Agency

There is not much to add in respect to this branch of the Company's business further than to say that the past year has been the most satisfactory in its history. The business depression that existed on the Pacific Coast for a few years after the outbreak of war has to a considerable extent passed away and our Agency has reaped the advantages of the general increase in business there. These changed conditions resulted in a nice profit for the year.

Terminal Elevator and Elevator "H"

The amount of grain handled through our large Terminal Elevator leased from the Canadian Pacific Railway showed a marked decrease for the year, due again to the decrease in the volume of the crop. For the year ending August 31st, 1917, we handled through it 16,430,000 bushels as against 28,463,000 bushels for the year previous. This of course has resulted in a decreased profit.

In the report a year ago you were told that the Company had undertaken the construction of a new hospital elevator to replace the Company's Elevator "H" which had been destroyed by fire. This house was ready for operation on the 1st of January, 1917, and was operated from that time until the end of the business year with very satisfactory results, both as to volume of grain handled through it and financial returns from it. The business of these elevators, it should be pointed out again, is to more particularly care for the lower grades of grain. During the year your Directorate decided to add to the storage of this elevator and fourteen new storage tanks were added giving an additional storing capacity of 305,000 bushels. The elevator now has a total capacity of over 600,000 bushels and is the most up-to-date elevator of its kind in Canada.

The expense of operating these terminal elevators has increased very considerably in the past year, particularly in wages. We have now to pay ordinary unskilled labor in the elevators from \$100.00 a month up. The cost of practically everything else that goes into the operation of them has increased, particularly during the last four or five months. What the outcome will be for the present year in returns is difficult to say.

Livestock Department

As you will recall, this department was opened on the 1st of March, 1916. For the six months ending August 31st, 1916, 158 cars of stock were handled. In addition, 38 cars of stock were purchased, making a total of 196

cars. For the year ending August 31st, 1917, a total of 1,217 cars were handled, of which 871 were on direct consignment from farmers or farmers' associations and 346 purchased, a large number of the latter for farmers in the country who bought cattle in the Winnipeg yards and took them back for winter feeding. The expenses of the department have increased and there was a slight loss in its operation for the year, amounting to \$884.98.

There is every prospect that during the present year this department will be on a profitable basis. It has already demonstrated its value to the livestock shippers of the country, since through it we are able to keep in closer touch with conditions surrounding the marketing of livestock than would otherwise be possible. The advantages of shipping livestock on consignment for sale are being recognized by an increasing number of farmers, and the formation of Livestock Shipping Associations among our shareholders is steadily increasing.

Grain Growers' Export Company

During the year the Grain Growers' Export Company has operated under considerable difficulty. The change made in the handling of grain, both in Europe and America, during the past few years, has led to a condition where the private exporting houses are practically out of business. For the year ending July 31st, 1917, the Export Company handled almost 30,000,000 bushels, making thereon a profit, after making provision for taxes, of \$192,000, which in view of the existing conditions cannot be regarded as other than satisfactory.

Early last summer we organized a small subsidiary company under New York State laws for the handling of the American end of the business. This Company is controlled entirely by the parent Company. The results of its operations are not contained in the statement given herein for the reason that it has only been a few months in operation, but will be dealt with in the next annual report of the Company.

On the 1st of September last, owing to changed conditions in the export business, we turned over our whole New York office intact to the Agents of the British Government who are now using it for the purpose of buying all their oat supplies in the United States and partially in Canada. It was a strong testimony to the efficiency of our New York office that they should have been asked to undertake this work for the British Government and her Allies. It of course means that we get nothing out of it, further than that it will keep our office organization intact until after the war is over, since we are allowed for compensation only the actual salaries and expenses of the office management. The result of this is that outside of the profit coming from the subsidiary company as incorporated under New York law, just referred to, our export business will bring us but little or no return for the next year. We are, however, in this position, that we have been able to keep our organization together and will be ready for the resumption of business after the abnormal conditions arising from the war have passed away.

The Grain Growers' Guide

Steady progress has been made in our subsidiary Company, Public Press Limited, under which is handled The Grain Growers' Guide. The last financial year of this enterprise, ending May 31st, has been the best in the history of The Guide and of the Public Press. As you are aware, this business has been steadily expanding, and in order to properly care for its development, your Directors during the past year, recognizing the need, decided to secure a new site and put up a modern up-to-date office building. A site was secured on Vaughan Street, Winnipeg, not very far from the business centre of the city, and a modern fireproof structure erected, the total cost for land and building being in the neighborhood of \$155,000. Provision has been made for future requirements, and the present building can be added to from time to time as may be

found necessary in the years to come. Efforts are being made to improve The Guide and increase its usefulness to the farmers of Western Canada, and now that it is located in its new home with better facilities than it possessed before for doing work, we hope it will develop a still greater measure of usefulness to our farmers.

Finances

During the past year, which ended August 31st last, no difficulty was experienced in finding the necessary finances to handle the Company's business. The new enterprises the Company is taking on, however, and the steadily increasing volume of its business will require additional financial resources as time goes by.

Timber Limit Development

Your Directors during the past year, having in mind the great need the farmers on our prairies have for lumber and also the difficulty our Lumber Department had in securing the supplies necessary to meet our business in this department, decided several months ago to erect a mill on the Company's timber limits located on the Grand Trunk Pacific Railway, about fifty miles east of Prince George in Northern British Columbia. While great difficulties have been met with in securing the necessary labor to carry on the work, nevertheless fair progress has been made. Up to date about \$90,000 has been spent, and we hope by July next to have in operation a modern up-to-date sawmill of 75,000 feet capacity in ten hours, together with dry kilns, shingle mills, etc. The total expenditure involved in this, outside the cost of the standing timber, will be at least \$200,000 and may possibly exceed that amount. When completed, however, we expect to have a fully efficient and well equipped plant, from which the Company hopes to be able to ship direct to purchasers, in this way reducing as far as possible the cost of this much-needed commodity to our farmers. Our limits are composed of cedar, fir and spruce. We

hope, unless something unforeseen turns up, to be able to fill orders not later than the middle of next summer.

Co-operative Supply Department

The result in the operation of this department has shown a substantial increase over that of the previous year, both in volume of business done and in the returns from it. The biggest increase has come in the Machinery Branch. The volume of business done for the year ending 31st August in our Winnipeg, Regina and Calgary offices, was \$676,024.43, against \$329,132.08 for the previous year, or an increase of 105 per cent. In the General Supply Department, which includes lumber, twine, wire, apples, coal, etc., the volume handled amounted to \$1,281,191 19, as against \$1,090,976.35 for the year previous, or an increase of 17 per cent. The total of goods of all kinds handled through this department of the Company was \$1,957,215 62, as against \$1,420,108.43 for the year previous, an increase of 27 per cent. Though we handled over 10,000,000 feet of lumber through our Lumber Branch of our supply business it was handled at a loss of several thousand dollars, due to inability to get shipments made when desired and consequent cancellation of orders and also to the fact that a sufficient margin had not been fixed to care for the relatively heavy cost brought about through estimating and figuring out supply bills for customers. Several cases have come to our notice where farmers have used our Lumber Department to get estimates on bills of material and even plans for their buildings, and have then gone to their local dealers and used our information as a means of extracting a better bargain from the local man. All of this of course means a considerable expense in our office, for which we get no return. It is necessary, however, to give the service. In fact Service to the customer has been the motto of this department, not only in respect to lumber, but in respect as well to other commodities handled.

The Machinery Branch of the department turned in a profit of a little over \$7,000. Considerable difficulties were experienced in handling this branch, owing to manufacturers' difficulties in getting raw materials and troubles in transportation. The problem of getting this branch of the business thoroughly organized was also a very considerable one. Substantial progress has been made in the department throughout the year and it is in a better position than at any time heretofore to give service to our customers and at the same time be conducted profitably. The difficulties in transportation and the need of being able to fill orders promptly has led, during the year, to an enlargement of the policy mentioned in our last annual report, namely, that sufficient supplies be kept on hand to fill orders promptly as they come. This necessitated additional warehouse space. Accordingly, your Directors purchased a strip of land just outside Winnipeg city limits, over half a mile in length and comprising twelve acres. There has been built on this a concrete and steel, fireproof warehouse, 400 feet long and 100 feet wide. The land we have gives facilities for additional trackage for incoming and outgoing shipments to meet our needs for many years to come. This warehouse and land cost slightly over \$100,000. A similar provision has been made at Calgary. At this point between five and six acres of land for warehouse purposes has been secured and a warehouse, smaller but of the same construction as the Winnipeg one, built. While this imposes a pretty heavy capital outlay, at the present time, it is necessary to care for our developing business. The Company has of course its Market Street warehouse, built a year ago last summer, and we can see already that the requirements of our business for the coming year will tax our warehouse space to its capacity.

It might also be mentioned that over 6,000,000 pounds of twine were sold by the Company. As time goes on it will be necessary to increase the amount of stocks of goods we carry if prompt and adequate

service is to be given. This, of course, necessitates a larger capital to handle the business and it may be necessary, a little bit later, to invite such of our shareholders as care to invest more of their capital in our Company to do so.

As has been already stated, the business not only in connection with the development of this department but all other departments has been carried on during the past year by the joint boards of The Grain Growers' Grain Company and The Alberta Farmers' Co-operative Elevator Company. These Boards held four joint meetings where all matters of policy were fixed upon and decided particularly in the Co-operative Departments of both Companies, as well as in other phases of the business of both. Inquiry is now being carried on as to the possibility of applying the principle of the patronage dividend, at least to the commodities handled through the Co-operative Supply Department of the United Company and it is hoped that something definite can be worked out in this direction before the end of the present business year for submission at the next annual meeting. This principle is entirely sound and is suited to a business such as ours. It must be borne in mind that these Companies were not organized primarily for making profit for the shareholders but for the purpose of improving the conditions under which their business was done and reducing to the lowest possible point the cost of doing it. It is upon these principles that the strong co-operative societies in Great Britain and other parts of the world have been built up, the fundamental idea being that business is done with the maximum of benefit to the consumer. There seems no reason why this same method could not be applied successfully in Western Canada. Looking to the future our Co-operative Supply business gives promise of big development. It imposes a considerable burden upon the management, particularly in its development stages. There is no doubt that the local organizations through the groups of local shareholders will

assist greatly in building it up on sound successful lines

Profit and Loss and Balance Sheet

A word or two on the Profit and Loss statement is in order. The whole financial statement has been very carefully dealt with by Mr. Bewell, the shareholders' auditor, in his remarks thereon, and consequently there is no need for me to deal with it except in its general outline. In order to get a true picture of the Company's operations, it must be borne in mind by the shareholders that the Grain Growers' Export Company, the Public Press Limited, which has published The Grain Growers' Guide, and the Grain Growers' B.C. Agency, are subsidiary companies, and their reports are not incorporated in the financial statement of The Grain Growers' Grain Company before you. Speaking of the latter, nine different Profit and Loss statements and Balance Sheets have been taken off to cover its various departments. These include Calgary office, Regina office, Commission Department, Country Elevator Department, Co-operative Supply Department, which is again sub-divided into three departments—(General Supplies, Machinery and Lumber) Terminal Elevator "B," Elevator "H," (our Hospital Elevator) and the Head Office Account which is so to speak the clearing house account for all the others. Correct accounts are kept of the earnings and expenses of each of these departments, each one being obliged to stand entirely on its own feet. In this way your Directors know just how each department of the business is progressing.

With the exception of the Livestock Department, which showed a slight loss for the year, every Department shows a profit. The total gross revenue for the year, over all was \$1,814,143.73 as against \$1,566,452.62 a year ago. The expenses have increased by about the same amount as the revenue, and stood for the year at \$1,236,854 70, as against \$994,997.20 for the year previous. After taking credit for the pre-

miums on stock received, profits for the year amount to \$607,899.18 as against \$572,804.33 for the year previous. This, it should be borne in mind is the result of all the Company's various activities.

In our Annual Report a year ago the Company's Balance Sheet and its assets were very fully dealt with, and there is no occasion for further comment at the present time. During the year the assets of the Company increased from \$2,939,834 to \$3,631,446.61. The Company's position at the end of August last was particularly good. As a study of the balance sheet printed elsewhere in this report will indicate, the paid up capital stood at \$1,357,738.46, and its surplus at \$1,118,351.51.

Since this statement completes the record of the old Grain Growers' Grain Company, as it has existed for eleven years, it is worth while to mention that the total profits earned by the Company since the 30th of June, 1907, up to the end of August, 1917, have been \$1,882,757.50, and of that \$675,000 has been distributed in cash dividends to shareholders, \$35,266 given in grants to Grain Growers' Associations, \$47,000 given in grants to The Grain Growers' Guide, or a total of more than \$82,000 distributed for educational work, and this it might be mentioned in the last eight years. In the eleven years the business of the Company has grown from that of a commission business alone to one embracing all phases of the Grain Trade, handling on Commission, handling through elevators, handling Terminal elevators, handling hospital elevators and export; has developed into a general supply business aiming to supply farmers with their requirements at the lowest cost possible; has undertaken the manufacture of lumber, handled successfully the publication of a weekly journal, and generally speaking has attempted along sane business lines to develop the spirit of co-operation to the end that our farmers' business may be handled as cheaply as possible. It might be added that of the benefits derived the monetary has perhaps been the least important. Thou-

sands of our farmers today are better business men because of their connection with the Company and its activities. Today under modern conditions a farmer to be successful must not confine his efforts alone to hard work but must also plan intelligently, in fact use the very best of business judgment, if he is to fully succeed in his enterprise.

A Word About United Grain Growers Ltd.

On the 1st September last The Grain Growers' Grain Company, as such, went out of existence. If you have read the past reports of the Company's business, particularly the last annual report, you are fully familiar with the steps and the causes that led up to the amalgamation of The Grain Growers' Grain Company and The Alberta Farmers' Co-operative Elevator Company, which took place on September 1st last. From that date on the amalgamated Company has been known as United Grain Growers Limited. You will find in this report two Profit and Loss Accounts and three Balance Sheets; one the Profit and Loss statement of The Grain Growers' Grain Company for the year ending August 31st, 1917, and the same for The Alberta Farmers' Co-operative Elevator Company for the same period, the Balance Sheet of The Grain Growers' Grain Company as to August 31st, 1917, and the same for The Alberta Farmers' Co-operative Elevator Company for the same period, and finally the Balance Sheet of United Grain Growers, Limited, which is really a combination of the previous two. Let me direct your attention to some features of the latter. The total assets of the United Company are \$6,180,526. Of these more than \$3,200,000 are current assets consisting of funds in the bank and on hand, advances on bills of lading, stocks of grain, machinery, etc., and investments, the latter made up of Dominion War Loans, stocks and shares and Grain Exchange memberships, the stocks and shares being mainly the interest the Company has in the Home Bank of Canada, and the shares in the

Grain Growers' Export Company, Public Press Limited, and the Grain Growers' B.C. Agency. The other assets are made up of elevator buildings, machinery, warehouses, and miscellaneous equipment, amounting to \$2,281,974.26; Real Estate being City properties and investment in standing timber amounts to \$647,178.19; furniture and fixtures to the extent of \$38,476.71, making up the balance. On the Liability side the current liabilities are \$1,821,188.85. The manner in which this is made up is shown on the liability side of the Balance Sheet. Attention should be given to this important fact; the current assets of the United Company on the 1st September exceeded its current liabilities by almost \$1,400,000. The capital liabilities are \$874,679, this being made up almost altogether of mortgages on the Alberta Elevators of United Grain Growers Limited. These mortgages are owed by the Company to the Alberta Government and are repayable over twenty years with interest at five per cent.

The United Company has subscribed in Capital Stock \$2,782,121, of which there has been paid up \$1,825,300.32. The total surplus of the United Company stood at \$1,659,355.89, of which \$1,250,000 was in reserve, and the balance \$409,255.89 at the credit of Profit and Loss account. It will thus be seen that the financial standing of the United Company is particularly strong. The value of this is manifest, and we have seen it already in making our financial arrangements for the present year. The high price of grain and the growth of the Company's operations demands now a very heavy line of credit, and notwithstanding the serious times we are passing through the Company has without difficulty been able to secure the credit necessary to carry on its business because of the excellence of its financial standing. As you are aware the Company's stock is selling at \$30 per share. Based on the Company's financial standing the shares are worth considerably more than this. A study by the old shareholders of The Grain Growers' Grain Company, of the financial statement

of The Alberta Farmers' Co-operative Elevator Company will indicate clearly that we have amalgamated with a strong and growing organization. The United Company now have under operation through lease or ownership over 300 country elevators, operates a large terminal at the head of the lakes of two-and-a-half million bushels capacity; handles grain in practically every way that a farmer wants to dispose of it; has a grain export department under a separate company, which at the present time it is true is out of business through war conditions, but which is in a position to resume business as soon as normal conditions reappear after the war is over; operates a publishing business under a separate company which publishes *The Guide* with 35,000 weekly circulation, and has a splendid job printing business in addition; has a growing livestock commission department with branches in Winnipeg, Calgary and Edmonton; owns a branch business at New Westminster, B.C.; is undertaking the manufacture of all classes of lumber for shipment direct to farmers; and is developing a co-operative supply department particularly in the lines of agricultural machinery, affording in this way an opportunity to farmers to get their supplies of this class at as low a cost as possible. An office for some time has been in operation at Regina and another has been opened recently at Saskatoon to care for the needs of Northern Alberta and Northern Saskatchewan. The United Company has over 55,000 shareholders. The shareholders who came into it from The Alberta Farmers' Co-operative Elevator Company were already organized into local groups, and the work is being proceeded with now under the supervision of your Directors for the organization of the old shareholders of The Grain Growers' Grain Company into local groups in the same manner as they are in Alberta. The advantage of this method is very obvious, as was pointed out in the last annual report of the Company. In this way each local group can send its delegate to the Annual Meeting and the expenses of this delegate will be paid. When

he returns home after attending the meeting he can give a report of the business done in this way bringing every shareholder more directly in touch with it than is possible through merely reading the printed reports. This plan has been found to work out very successfully in the old Alberta Co-operative Elevator Company, and also in the Saskatchewan Co-operative Elevator Company, and I have not the slightest doubt that its benefits will be very apparent to our shareholders once they have experienced them.

Conclusion

This completes the last annual statement that will be given out as from the old Grain Growers' Grain Company Limited. Henceforth the business is carried on under the name of United Grain Growers Limited. Let me express the hope that the shareholders of the old concern, which was the pioneer company of the several organizations that have in recent years sprung up in Western Canada, will continue to give their steady loyal support to the new organization. The business of your Company now ranks among the great businesses of Canada. It will be the aim of the new Board of Directors, among whom are many old familiar names to you, to conduct the business on sane prudent lines. While great success has attended our farmers' organizations in Western Canada, there never has been any time when there was so great a need of complete and thorough organization as now. The world for the past three and a half years has been living under the shadow of the most awful war recorded in its history. When peace comes great reconstruction and great reorganizations are bound to take place, and our farmers must be prepared to play their part worthily in these great changes when they come. It is to their high credit that our organizations have almost invariably taken the broad progressive view on any question of public importance that has come before them. Their work has never been approached from the selfish viewpoint

alone. If our organizations had been concerned merely with the selfish advancement of each of its members without any regard for the general good, they would have failed and they would have deserved to have failed. It was because they aimed to improve the general welfare by the elimination of abuses or unfavorable conditions that existed in our commercial life, and because they sought always to throw their influence on the side of right as they saw it on matters of public issue, that they have gone forward. As a people we in Canada have perhaps been too much influenced in the past by our own selfish desires. In our public relationships the thing that was expedient has more often been the mainspring that moved us to action rather than the thing that was right. A great task lies ahead of the Canadian people, the task of building up out of many divergent elements a distinct Canadian nationality, the task of making Canada a place where everyone has a fair chance and a square deal; and where no one is allowed to make gain for himself except as a result of his own work and at the expense of no one else. If these conditions are to prevail they can only come as a result of honest patriotic interest on the part of each citizen in the business of his country. In all that leads in this direction our Grain Growers' organizations in the past ten years have done excellent work. This spirit has always been intermingled during the eleven years of its history in the work of The Grain Growers' Grain Company. I have no doubt that the same principles will prevail in the work of United Grain Growers Limited, and that as time goes on, it will be the record of its work, that it strove not only for the material advancement of its members but also for the cultivation of those traits of character in its individual members and in those its influence reached through which alone can real greatness either in the individual or the nation be attained.

The Grain Growers' Grain Co., Balance Sheet as at 31st August 1917

ASSETS		
CURRENT ASSETS		
Funds in Bank and on Hand	\$ 114,829 68	\$1,982,099 55
Advances on Bills of Lading and Other Debts due to the Company	381,355 93	
Stocks of Grain, Machinery, etc.	548,790 27	
In terms of approved Inventories.		
Miscellaneous Supplies and Accruals	42,988 51	
Investments	894,135 16	
Loans		
War Loans	\$257,812 50	
Stocks, Shares and Grain Exchange Memberships	656,322 66	
	<u>\$894,135 16</u>	
	\$1,982,099 55	
CAPITAL ASSETS		
Elevator Buildings and Machinery, Warehouses and Miscellaneous Equipment.	\$ 977,692 16	1,649,347 06
Real Estate—City Property and Timber Investment	647,178 19	
Furniture and Fixtures	21,476 71	
	<u>\$1,649,347 06</u>	

\$3,631,446 61

LIABILITIES

CURRENT LIABILITIES

Outstanding Orders and Cash Tickets \$ 330,536.95
 Accounts and Bills Payable 417,559.75
 Dominion Government War Tax, 1916 and 1917 (Two Years) 184,623.04

\$ 941,712.64

\$1,066,712.64

Shareholders' Dividend:

Provision for 1917 Dividend at 10 per cent per annum. 125,000.00

\$1,066,712.64

CAPITAL LIABILITIES

Mortgages Payable.

89,000.00

SHAREHOLDERS' CAPITAL AND SURPLUS

Capital Stock \$2,000,000.00

\$1,357,382.46

Authorized \$1,705,771.00

Subscribed 348,588.64

Less—Unpaid on Capital \$1,357,382.46

Surplus

Reserve \$ 601,662.79

Profit and Loss Account 516,688.72

Amount brought forward \$139,789.54

Profit for year to 31st August, 1917 607,899.18

\$747,688.72

Less—Shareholders' Dividend and Employees'

Bonuses for 1916-17 \$149,000.00

War Tax 1916-17 231,000.00

\$516,688.72

\$1,118,351.51

\$2,475,733.97

\$3,631,446.61

Winnipeg, 8th November, 1917.

JOHN SCOTT, C.A. } Auditors
 W. H. BEWELL }

The Alberta Farmers' Co-operative Elevator Co., Balance Sheet as at 31st August, 1917

ASSETS

CURRENT ASSETS		
Funds in Bank and on Hand	.....	\$ 424,654.15
Advances on Bills of Lading and Other Debts due to the Company	.....	405,385.64
Stocks of Grain, Machinery, etc	.....	312,782.32
Interests on Approved Inventories	.....	7,776.40
Miscellaneous Supplies and Accruals	.....	80,197.50
Investments	.....	
Dominion War Loans	.....	\$74,887.50
Grain Exchange Memberships	.....	5,310.00
		<u>\$80,197.50</u>
		\$1,230,796.01
CAPITAL ASSETS		
Elevator Buildings and Machinery and Miscellaneous Equipment	.....	1,318,282.10
Furniture and Fixtures	.....	14,000.00
		<u>\$1,318,282.10</u>

\$2,549,078.11

LIABILITIES

CURRENT LIABILITIES		
Outstanding Orders and Cash Tickets	\$ 260,757.53	\$ 754,476.21
Accounts and Bills Payable	327,631.76	
Accounts Receivable	2,187.84	
Amounts not Allotted to Applications but not allotted	123,801.17	
in Government War Tax, 1916 and 1917 (Two Years)	34,091.91	
Shareholders' Dividend	<u>\$ 754,476.21</u>	
		785,079.06
CAPITAL LIABILITIES		1,008,922.24
Mortgage Payable to Provincial Government of Alberta		
SHAREHOLDERS' CAPITAL AND SURPLUS		
Capital Stock	\$1,500,000.00	\$ 467,917.86
Authorized		
Subscribed	\$1,076,350.00	
Less—Unpaid on Capital	608,432.14	
	<u>\$ 467,917.86</u>	
Surplus		541,004.38
Reserve	\$ 409,752.82	
Profit and Loss Account	131,251.56	
Amount brought forward	\$ 23,231.94	
Profit for year to 31st August, 1917	236,502.67	
	<u>\$259,734.61</u>	
Less—Shareholders' Dividend and Employees' Bonuses for 1916-17	\$57,355.49	
War Tax 1916-17	71,127.56	
	<u>\$131,251.56</u>	
	<u>\$ 541,004.38</u>	
		<u>\$1,008,922.24</u>
		<u>\$2,549,078.11</u>

JOHN SCOTT & CO,
Chartered Accountants.

Winnipeg, 8th November 1917.

The Grain Growers' Grain Co. Ltd., Profit and Loss Account

1917		FOR YEAR ENDING 31st AUGUST, 1917	
Aug. 31	By Grain and Merchandise Accounts		\$1,814,143 73
	Elevation, Storage, Screenings, Twine, Machinery, Commissions, Dividends, etc.		
	To Expenses Operating Line and Terminal Elevators and General and Administrative Expenses	\$1,040,946 76	
	" Rents of Manitoba and Terminal Elevators	131,358 07	
	" Rents of Province of Saskatchewan	19,969 41	
	" Depreciation on Elevator Buildings, Machinery and Warehouses, etc.	44,580 46	
	" Balance carried down	\$1,236,854 70	
		577,289 03	
		<u>\$1,814,143 73</u>	
Aug. 31	By Balance brought down		\$ 577,289 03
	To which has to be added		
	Premiums on Stock Sold	\$ 53,700 00	
	Less—Cost of Selling Stock	23,089 85	
			<u>30,610 15</u>
			<u>\$ 607,899 18</u>
	Profit for year subject to Canadian Taxes		

The Alberta Farmers' Co-operative Elevator Co.

Profit and Loss Account

FOR YEAR ENDING 31st AUGUST, 1917

1917			
Aug. 31	By Grain and Merchandise Accounts		\$998,562.29
	" Elevator, Storage, Co-operative Supplies, Commissions, etc.	\$667,110.24	
	To Expenses Operating Line Elevators and General and Administrative Expenses	8,482.53	
	" Bad Debts Provision	80,586.90	
	" Depreciation on Elevator Buildings and Machinery, etc.	\$762,059.62	
	Balance carried down.....	236,502.67	
		<u>\$998,562.29</u>	

Aug. 31 By Balance brought down being Profit for year, subject to Canadian Taxes
Winnipeg 8th November, 1917

\$236,502.76

United Grain Growers Ltd., Balance Sheet as at 1st September, 1917

ASSETS		
CURRENT ASSETS		
Funds in Bank and on Hand	\$ 539,483 83	\$3,212,895 56
Advances on Bills of Lading and Other Debits due to the Company	786,741 57	
Stocks of Grain, Machinery, etc.	861,572 59	
In terms of certified Inventories		
Miscellaneous Supplies and Accruals	50,764 91	
Investments	974,332 66	
Loans		
War Loans	\$332,700 00	
Stocks, Shares and Grain Exchange Memberships	641,532 65	
	<u>\$974,332 66</u>	
	\$3,212,895 56	
CAPITAL ASSETS		
Elevator Buildings and Machinery, Warehouses and Miscellaneous Equipment	\$2,281,974 23	2,967,629 16
Real Estate—City Property and Timber Investment	64,478 79	
Furniture and Fixtures	<u>38,476 11</u>	
	\$2,967,629 16	
	<u>\$6,180,524 72</u>	

LIABILITIES

CURRENT LIABILITIES		
Outstanding Orders and Cash Tickets	\$ 640,294 38	\$1,821,188 85
Accounts and Bills Payable	747,372 35	
Dominion Government War Tax, 1916 and 1917 (Two Years)	314,430 21	
	<u>\$1,662,096 94</u>	
Shareholders' Dividend	159,091 91	
	<u>\$1,821,188 85</u>	
CAPITAL LIABILITIES		874,679 66
Mortgages Payable		3,484,656 21
SHAREHOLDERS' CAPITAL AND SURPLUS		
Capital Stock	\$5,000,000 00	
Authorized	\$2,782,121 00	
Subscribed	936,830 68	
Less—Unpaid	<u>\$1,825,300 32</u>	
Surplus		1,659,355 89
Reserve	\$1,250,000 00	
Profit and Loss Account	409,355 89	
Amount brought forward	\$ 163,021 48	
Combined profits for year ending 31st August, 1917	844,401 85	
	<u>\$1,007,423 33</u>	
Less—Shareholders' Dividend and Profits for previous years, 1916-17		
War Tax, 1916-17	\$206,355 49	
	153,127 56	
	<u>\$359,483 05</u>	
Transfer to Reserve	238,584 39	
	<u>\$ 409,355 89</u>	
	<u>\$1,659,355 89</u>	
	<u>\$3,484,656 21</u>	
		<u>\$6,180,524 72</u>

JOHN SCOTT & CO.
Chartered Accountants.

Winnipeg, 8th November, 1917

Remarks by Shareholders' Auditor

To the Shareholders of The Grain Growers' Grain Co. Ltd.

Supplementing the Financial Statement, in accordance with our usual custom, I am pleased to submit the following explanatory notes upon the Annual Financial Statement of The Grain Growers' Grain Company Limited, for the year ending August 31st, 1917. A careful reading of these notes in connection with the Financial Statement and the President's address embodied in this Annual Report will enable any shareholder to acquire a good general knowledge of the operations of the Company during the past year, and of the standing of the Company at the time of its entrance into amalgamation with The Alberta Farmers' Co-operative Elevator Company, Limited, unitedly forming United Grain Growers Limited.

VOLUME OF BUSINESS—During the year ending August 31st., 1917, the total receipts of farmers' grain through the Winnipeg Office amounted to 20,277 cars viz.: Wheat, 14,221½ cars, Oats, 4,529½ cars, Barley, 1,351 cars, and Flax 175 cars.

ALLOTMENT OF STOCK—The total number of shares of Capital Stock standing allotted on August 31st, 1917, is shown to be 68,230 shares, held by 21,507 shareholders, an increase for the year of 10,624 shares and of 3,342 shareholders. The subscribed capital increased during that time from \$1,440,150 to \$1,705,750, a gain of \$265,600, and the paid up capital from \$1,073,179 to \$1,357,382, a gain of \$284,203.

Profit and Loss Account

REVENUE \$1,814,143.73—Apart from Premiums on share of Capital Stock sold which are dealt with separately at the close of this account, the sub-heading "Grain and Merchandise Accounts" includes the entire revenue of the Company, for the year, arising from the various

operating departments, namely: Commission, Line Elevator, Terminal "H," Terminal "B," Livestock, Co-operative Supply, including Machinery, Lumber, Regina section, etc., the Calgary Office, and from dividends on investments controlled by the Head Office. Among the chief sources of revenue being commissions, storage, elevation, track and elevator purchases, handling and cleaning charges, seed grain, screenings, etc., in the Grain Handling Departments, and farm machinery, implements, lumber, twine, coal, flour, apples, fence posts, fence wire, etc., in the Co-operative Supply Department in its various sections.

EXPENDITURE \$1,236,854.70—Excepting the item dealt with below in the disposition of Premiums of Capital Stock sold, this amount includes the total cost of conducting the business of the Company for the year in all its departments.

EXPENSES OPERATING LINE AND TERMINAL ELEVATORS AND GENERAL AND ADMINISTRATIVE EXPENSES, \$1,040,946.76—

This amount embraces the expenses of the year in all departments, except as separately stated, and includes expenses classified as selling expenses and warehouse expenses in all Co-operative Supply sections, including Regina office, working expenses and taxes in all the Elevator Departments, track buyers' salaries and expenses in Calgary and Commission Departments, insurance and interest on elevators owned, and general and administrative expenses in all departments.

"Selling Expenses" and "Warehouse Expenses" as here used include salaries, travelling expenses, commissions, catalogs, circulars, advertising, postage, freight and cartage, shipping expenses, rent and light, etc., directly incurred in the sale, storage, distribution and oversight of goods advertised, stored or sold in the Co-operative Supply Department in its several sections. "Working Expenses" embraces the outlay for wages, power, elevator supplies, repairs and maintenance, switching charges, insurance on grain, license fees, weighing and inspection, sacks, cargo allowances, registration and cancellation, short-

ages, adjustments, etc., etc., at the terminals, and for Line Elevators "Working Expenses" covers salaries and expenses of all the operating staff, repairs and equipment, scale inspection, licenses, car liners, etc., etc., also construction outlay and supervision on our own elevators. "Taxes," "Interest" and "Insurance" here indicate the amounts paid under these headings on our own Line Elevators and Terminal Elevator, and taxes paid on Terminal "B."

The term "General and Administrative Expenses" embraces a wide field of expenditure, in which the payments render service to more than one department, and hence cannot properly be wholly charged to a single department, but are classified under this heading and distributed respectively to each of the departments affected according to the services rendered, and include all expenses not otherwise designated: executive, managers, departmental and office salaries, directors' fees, and expenses, executive and managers' travelling expenses, auditors' fees, elevator convention expenses, legal expenses, taxes, office printing and stationery, advertising, postage, telegraph and telephone, office rent and light, insurance, war tax, war tax stamps, interest and exchange, brokerage, business tax, office furniture and fixtures and depreciation thereon, office supplies, sampling, expressage, registration and inspection, together with many minor items of expenditure such as cost of bonding officers of the Company, cost of bonding as commission merchants and track buyers, printing President's address and auditors' report for 1916, Annual meeting, Grain Exchange fees and dues, bonuses to employees, donations to charitable, patriotic and philanthropic institutions deemed worthy of support, market news, printing and mailing daily price lists, subscriptions to commercial journals for office use, licenses, caretaking, etc., etc.

RENT OF MANITOBA AND TERMINAL ELEVATORS \$131,358.07—This amount includes the \$63,067.97 paid as rentals for Line Elevators, and \$68,290.10 rental for Terminal "B"

BAD DEBTS PROVISION \$19,969.41—This indicates the total amount written off in the several departments during the year on bad debts account including the provision made at the close of the year for debts deemed doubtful.

DEPRECIATION ON ELEVATOR BUILDINGS AND MACHINERY AND WAREHOUSES \$44,580.46—This amount includes the allowance for depreciation on buildings, plant and machinery in the elevator departments, on our warehouses in the Co-operative Supply Department and concessions on the electric plant in Terminals "B" and "E."

TOTAL EXPENDITURE AS ABOVE \$1,236,854.70 which being deducted from the revenue \$1,814,143.73 leaves a balance of \$577,289.03, to which has to be added \$30,610.15, the net amount arising from premiums on capital stock sold, making a total of \$607,899.18 as the profits on the year's operations (subject, however, to the current year's war taxes)

ASSETS \$3,631,446.61—Of this total \$1,982,099.55 is classified as "Current Assets" and \$1,649,347.06 as "Capital Assets."

CURRENT ASSETS—FUNDS IN BANK AND ON HAND \$114,829.68 is the amount which on August 31st was standing to the credit of the several departments

ADVANCES ON BILLS OF LADING AND OTHER DEBTS DUE TO THE COMPANY \$381,355.93 indicates the amount advanced by the several departments on bills of lading, and which will be returned to the Company as settlements for car shipments are effected, and also the other debts due to the various departments.

STOCKS OF GRAIN, MACHINERY, ETC., \$548,790.27 consisted of stocks of grain in the several grain handling departments, the stocks of flour and coal at interior elevators, and the stocks of machinery,

co-operative supplies, lumber, etc. in the Co-operative Supply Department in its several sections, including, stocks at Winnipeg, Regina, Calgary, etc., in terms of certified inventories.

MISCELLANEOUS SUPPLIES AND ACCRUALS \$42,988.51—This item includes accrued storage and elevator charges, accrued interest, dividends and commissions, prepaid and unexpired licenses and insurance, prepaid freight, elevator supplies, gasoline drums, sacks feed, troughs, etc., etc., in the several departments.

INVESTMENTS \$894,135.16—This amount embraces the amounts invested in Dominion War Loans, Grain Exchange membership, and the shares held by the Company in the Grain Growers' Export Company Limited, the Home Bank, the Public Press Limited, the Grain Growers' B.C. Agency, the Traders' Building Association, the Winnipeg Grain and Produce Clearing Association, and the Grain Products Company.

CAPITAL ASSETS,—ELEVATOR BUILDINGS AND MACHINERY, WAREHOUSES AND MISCELLANEOUS EQUIPMENT, \$977,692.16—This includes the amounts invested in country elevators, flour houses, Terminal "H," Market Street warehouse, Kildonan warehouse, and minor capital investments after due allowance for depreciation.

TIMBER INVESTMENT, \$260,818.01—This amount includes in addition to the cost of our B.C. timber limit the sum expended up to August 31st in the development of the limit, from which it is expected that lumber can be supplied within the next year.

REAL ESTATE, CITY PROPERTY, \$386,360.18—This embraces our Lombard Street, Winnipeg, property, Horace Court, St. Boniface, St. Boniface lots and old site Elevator "H," Fort William

FURNITURE AND FIXTURES, ETC., \$24,476.71

—This amount indicates the value of the office furniture and fixtures, etc., in use in the several departments of the Company, after ample allowance for depreciation.

LIABILITIES, \$3,631,446.61 classified as Current Liabilities \$1,066,712.64 and Capital Liabilities \$2,564,733.97.

CURRENT LIABILITIES—This embraces Outstanding Orders and Cash Tickets, \$339,536.85, accounts and bills due or maturing at the close of the year by the several departments \$417,552.75, War Tax for years 1916 and 1917 \$184,623.04 and Shareholders' Dividend for 1917 at ten per cent. per annum, \$125,000 approximately. Any possible variation from the amount estimated to meet shareholders' dividend will be adjusted in the current year's accounts.

CAPITAL LIABILITIES—Under this heading are found Mortgages Payable \$89,000, being the amount of mortgages upon our Market Street site and warehouse and upon Horace Court, Paid up Capital Stock \$1,357,382.46, and Surplus \$1,118,351.51, said Surplus embraces Reserve \$601,662.79 and the balance of Profit and Loss Account available \$516,688.72, after adding to the amount of profits for the year \$607,899.18 the amount brought forward as the unexpended balance of this account for the previous year, viz: \$139,789.54 and from this total of \$747,688.72 providing for the payment of shareholders' dividends, employees' bonuses, and war tax, a total provision of \$231,000.00.

OUR VARIOUS ENTERPRISES—During the year ending August 31st each of the several grain handling departments of The Grain Growers' Grain Company transacted a large volume of business, resulting in satisfactory profits in all departments. The total sales made by the Co-operative Supply Department in its machinery, lumber and general supplies section,

through its Winnipeg, Regina and Calgary offices amounted to (\$1,957,215.62) nearly two millions of dollars, and notwithstanding the difficulties and delays in obtaining supplies and in filling orders, at times incurring loss, owing to the lack of cars for prompt transportation, both in receiving and in delivering lumber, machinery, twine and other supplies, and also to the ever-increasing cost of raw material and the consequent increase in manufacturers' prices, this department has on its total business, and likewise at each selling central office, been able to show a substantial profit. The Livestock Department, added in 1913, while not yet self-sustaining, showing a small loss on last year's operations, has met with hearty approval and increasing business. It is confidently hoped that during the current year this department may be able to make a profitable showing not only on behalf of the shipper of livestock, but also on behalf of the Company.

NOTABLE EVENTS—Since the publication of our last Annual Report two notable events of great interest to our shareholders have taken place, and we trust that the results therefrom will prove also to be of immense benefit to our Western Provinces, and indeed to Canada at large. First—The amalgamation, on August 31st, 1917 of our Grain Growers' Grain Company Limited, after its eleven years of successful increasing, ever-expanding operations, with the Alberta Farmers' Co-operative Elevator Company, Limited, with its very creditable record of service, under the name of United Grain Growers Limited. We bespeak for the united Company the hearty support of the Grain Growers of the West. Second—More recently our esteemed President, Mr. T. A. Crerar, has been called by the Premier of Canada to accept the portfolio of Minister of Agriculture in the Dominion Government. Those of us who have been more or less closely associated with our President during the past ten years in the work of our Company, know somewhat of his sterling worth, high ideals, marked ability, integrity and honor, can heartily congratulate both

our President and our Dominion upon the distinction thus conferred, and with confidence hope that the benefits to rural Canada at least, as a result of such appointment will be of like character to the benefits received by our Company and its patrons from his lengthy tenure of office as President of The Grain Growers' Grain Company Limited.

THE GRAIN GROWERS' GUIDE—The Grain Growers' Guide, an illustrated weekly paper, the official organ of the Grain Growers' and United Farmers' Associations of Western Canada, has attained a high place in Canadian journalism and enjoys a large and growing circulation. It was established to give organized farmers an authoritative mouthpiece, and it is the pride and pleasure of our shareholders generally that our Company has been able to render the financial aid necessary to assure the permanency of the "Guide." The Public Press Limited, having outgrown its early home and surroundings has recently moved into its fine new home, built specially for its work, and said to be in appearance, equipment, convenience and general service one of the finest printing and publishing establishments on the continent. In its improved surroundings, constantly supporting the platform of the organized farmers, ever up to date and on the alert to promote the welfare of the farmer, and incidentally that of the entire community, The Guide should soon become a welcome weekly visitor in every Western home.

NEW BY-LAWS—The by-laws of United Grain Growers Limited in several respects differ widely from those with which we have been familiar in the past, among the more noticeable changes being the omission of provision for a shareholders' auditor, the abolition of proxy voting, and the abrogation of individual representation in the Annual Meetings, the representation in the Annual Meetings of United Grain Growers Limited to be by selection through shareholders' locals, at various points throughout the West as may be arranged by the Head Office.

IN CONCLUSION—THANKS—In these my final official remarks upon the Annual Financial Statements of The Grain Growers' Grain Company Limited, I avail myself of the opportunity thus presented of expressing my sincere thankfulness to all those who have so kindly assisted me in the discharge of my duties during the past eleven years.

I desire to express my thanks to our shareholders for the continuance of their confidence throughout the entire term of the existence of The Grain Growers' Grain Company Limited, as a distinct organization. Through your kindness it has been my privilege to be officially connected with the Company from its origin, throughout its history of stress and difficulty, of success and expansion, until it became the strong influential aggressive Company of recent years, which while now losing its name and identity as a separate body, yet carries its valuable experience and elements of success, its increasing power and usefulness, into the union now effected through amalgamation with The Alberta Farmers' Co-operative Elevator Company, Limited, a growing Company which had already attained a position of usefulness and strength,—the organization thus formed to be known as "United Grain Growers Limited."

I wish to express my hearty thanks to the President, and the members of the several Boards of Directors during all those years, to the Managers, the various heads of departments, and the many members of the office staffs throughout this period, for the hearty co-operation and cheerful courtesy given me in the discharge of my duties at all times.

I desire also to place on record my sincere thankfulness to Mr. John Scott, C.A., and his assistants for the invaluable expert advice and assistance so cheerfully accorded to me throughout the entire period of our association in the necessarily heavy audit work of The Grain Growers' Grain Company Limited.

The opportunity afforded me through the kindness and courtesy of so many, of contributing in my humble way, to the upbuilding of such a useful, helpful and necessary organization, will certainly remain with me as a pleasant memory.

Earnestly hoping that the record of United Grain Growers Limited will be one of still greater, and ever-increasing development, influence and usefulness, these remarks are

RESPECTFULLY SUBMITTED,

W H. BEWELL,
SHAREHOLDERS' AUDITOR.

ROSSER, Dec. 5th, 1917.

